

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION

CONSTRUCTION DIVISION MEMORANDUM

GENERAL SUBJECT: DBE POLICY

NUMBER: CD-2000-3

SPECIFIC SUBJECT: SETTING STATEWIDE DBE GOALS

DATE: JANUARY 18, 2000

Original w/Signature on file in Construction Division

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CONSTRUCTION ENGINEER

DIRECTED TO - DISTRICT ADMINISTRATORS

VDOT has provide opportunities for input, inquiries, discussions and substantial analysis related to what would be an appropriate and realistic goal for DBE participation for this fiscal year in order to fulfill the requirements of Section 26.45 of 49 Code of Federal Regulations (CFR) Part 26. There are many items that need to be considered when evaluating what is a reasonable goal for the next fiscal year. The Department has consistently obtained goal levels between 10 and 12 percent since the inception of the program in 1982. These goals were met using project goals with a contractual obligation to the Contractor that could result in his/her enjoinderment from bidding for a period of up to 90 days if the Contractor failed to meet his/her DBE commitments for the job.

Under the new state DBE program these avenues for compliance will not be available. The new program requires the Contractor to show "good faith" in securing and using minority firms on state contracts and to use all practical and legal means to increase both race and gender neutral methods to increase participation in both programs.

Using the combined capacity of firms identified as "ready, willing and able contractors" to determine statewide goals the Department assumes that 50 percent of their total combined theoretical capacity is available in the marketplace. The participation of DBE firms has historically been shown through Department statistics to be maximized at or around 50 percent of their total combined theoretical capacity. Firms are considered "ready, willing, and able " if they are prequalified with VDOT and certified as a DBE with VDOT and active in the DBE program.

The available capacity is not totally committed to the federal program. Consideration also must be given to the use of these resources on the state program. The commitment of these resources should be reduced from the total theoretical capacity of the "ready, willing, and able "before computing the percent of the Federal Program that would be available for DBE participation.

The formula to compute this determination is as follows:

$$\frac{A - B \times 0.5}{C} = \text{GOAL}$$

A = Total Theoretical Capacity of the "ready, willing and able DBE firms

B = State Program Commitment

C = Annual Federal Program

The Department should pursue meeting this goal using race and gender neutral methods as much as is practicable. The use of project-specific race and gender conscience goals should only be considered when all other efforts have not succeeded. The Department will measure the achievements of a race and gender neutral program by the accomplishments of the new state DBE program.

RCE/wsk